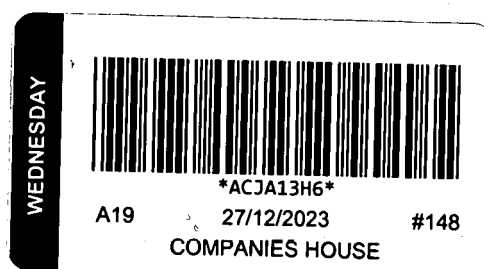


Elite Hotels (Rotherwick) Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 March 2023
Registration number: 01899376



Elite Hotels (Rotherwick) Limited

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Elite Hotels (Rotherwick) Limited

Company Information

Directors G C Bateman
 S J Willis
 A H W Dixon
 G K Raina

Company secretary G K Raina

Registered office Ashdown Park
 Wych Cross
 Forest Row
 East Sussex
 RH18 5JR

Auditors PKF Francis Clark
 Statutory Auditor
 Ground Floor
 Blackbrook Gate 1
 Blackbrook Business Park
 Taunton
 Somerset
 TA1 2PX

Elite Hotels (Rotherwick) Limited

Strategic Report

Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

Principal activity

The Elite Hotels (Rotherwick) Limited group continues to operate in the luxury hotel market; always aiming to deliver distinctly memorable experiences. At the balance sheet date the group comprised of 3 hotels in the south of England:

- The Ashdown Park Hotel & Country Club in Sussex;
- The Grand Hotel in Eastbourne, Sussex;
- Tynney Hall Hotel & Gardens in Hampshire.

Review of the business

The financial year ending 31st March 2023 continued to suffer from the ongoing impact of the Covid-19 pandemic. Although the situation improved in many places, the hotels still faced uncertainty due to the potential for new COVID-19 variants and evolving health guidelines. Inflationary pressures led to increased costs for ingredients, labour, and energy, making it challenging to maintain profit margins.

The hospitality industry has faced a shifting landscape of VAT changes in both 2021/2022 and 2022/2023, (reduced VAT of 5% until October 2021, 12.5% until 31st March 2022, and 20% from 1st April 2022), in response to the pandemic and to more comprehensive tax policies in the later period. These VAT changes adversely impacted pricing, profitability, and compliance. Business rate relief measures introduced during the pandemic were scaled down in 2022/2023 as the hotel industry began to recover and restrictions eased.

The hotels' room inventory expanded after renovations towards the end of the financial year, which incorporated sustainability improvements aimed at reducing the company's carbon footprint. It is worth noting that there has been a growing demand among guests for environmentally friendly options. The hotels' recovery is still being hindered by several substantial challenges. These include the persistent high energy costs and the influence of rising interest rates. Furthermore, staffing shortages are ongoing, and disruptions in the supply chain continue to lead to increased expenses for food and overheads. Guest confidence has also been negatively affected by the cost-of-living crisis.

The hotels remain responsive to the ongoing short business lead times and are actively adjusting their strategies to secure long-term financial stability and foster growth amid challenging economic conditions.

At the balance sheet date the group has net current liabilities of £15,922,328 (2022 – net current assets of £2,835,402). Net current liabilities includes bank borrowings of £15,000,000 (2022 - £nil) which is shown as being due in less than 12 months on the basis that the facility is due for renewal in February 2024.

The Directors have engaged with the group bankers, who have indicated their positive expectation that the bank will renew the facility for a further two year term. Whilst this process has not concluded the Directors have no reason not to believe that this will be concluded shortly, which will have a positive impact on the net current liability position of the group. Acknowledging that there can be no certainty until the renewed facility agreements are signed (expected to be in January 2024) the directors also note that the loan to value ratios for the hotel property and business provides significant headroom and therefore re-assurance as to the going concern status of the company and group.

Elite Hotels (Rotherwick) Limited

Strategic Report

Year Ended 31 March 2023

Review of the business (continued)

Further to the above the Directors have considered:

- Post year end performance to date for the year to 31 March 2024.
- Expected performance for the remaining of the year to 31 March 2024, and extending to a period of no less than 12 months from the approval of the accounts.

After considering known factors the Directors continue to prepare the financial statements of the group and company on a going concern basis.

Key Performance Indicators

Sales for the year ended 31 March 2023 were £22,754,692 (2022: £32,713,559). It should, however, be noted that 2021/22 figures included Luton Hoo which was also sold in December 2021. Earnings before interest, tax, depreciation, and amortisation (EBITDA), and loan arrangement fees were £665,066 (2022: £6,051,270). The group's occupancy and Average Daily Rate (ADR) experienced a decline. However, there was growth in Total Revenue per room sold, driven by strong demand in leisure, and MICE segments. In addition, revenue per hour employed, guest satisfaction & health and safety are also closely monitored to assess hotel performance.

The group's ability to maintain a positive cash flow has enabled them to proceed with refurbishment related investment.

Principal risks and uncertainties

In pursuing our strategic priorities to create value for our stakeholders, we experience risk. The board is responsible for risk management and must ensure that the group maintains the appropriate level of risk to achieve its objectives whilst balancing the competing needs of these stakeholders.

The principal risks identified, separately or in combination, could have a material adverse effect on the implementation of the group strategy, our business, financial performance, shareholder value and returns and reputation. The principal risks identified by the directors are:

Market, Economic and Competition risk

The group is exposed to normal market and economic risk and manages competition risk by concentrating on its strengths and maintaining its established luxury brand with a focus on guest experience. Recruiting skilled staff after Brexit continues to remain a challenge across hospitality industry but the group is constantly looking at ways it can engage with potential employees in order to recruit and retain the best talent.

Increasing inflation along with rising utility costs has had an impact on our business mix across the board which are key factors that the directors constantly will be monitoring.

Financial Market risk

The group is exposed to interest rate rises through its bank borrowings however the directors have fully considered financial risk and are confident these will not threaten the group's going concern presumption.

Elite Hotels (Rotherwick) Limited

Strategic Report

Year Ended 31 March 2023

Principal risks and uncertainties (continued)

Impairment review

The directors have considered the most recent business valuations conducted by Christie & Co in July 2021, as well as current year performance. In their opinion there are no factors which would indicate any impairment to the business or underlying assets is necessary.

People

The hotels understand and appreciate the vital role its employees play in the current and future success of the business. To encourage employee development the hotel continues to operate and enhance its training and development programmes and remains accredited by Investors in People. Wagestream, is a FinTech platform that collaborates with employers to enable their workers to access a portion of their earned wages before the standard payday. This assists employees in addressing immediate financial requirements without turning to high-interest loans, as the withdrawn amount is subtracted from their subsequent paycheck, this was to promote financial flexibility and well-being. Employees are kept informed on a wide range of matters including the future strategy of group.

S172 statement

A company director must act in good faith and in a way that promotes the likely success of the company for the benefit of its members as a whole, and in doing so have regard to;

- Likely consequences of any decisions in the long term;
- Interests of the group's employees;
- Maintaining strong business relationships with guests, suppliers, and others;
- The impact of the group's operations on the community and environment;
- The need to protect group reputation and maintain high standards of business conduct; and
- The responsibility to act fairly between group stakeholders.

In discharging their section 172 duties, the directors consider they have had regard to the above in all material respects.

Our key stakeholders include employees, shareholders, suppliers, guests, creditors, HSBC and the local communities in proximity to our hotels. To ensure the board considers the likely consequences of decisions in the long term, they have set clear strategies, targets and development plans which extend out until 2027. Progress against these plans is reviewed at board meetings with plans updated annually.

Our employees are fundamental to the delivery of our future success and as such we aim to recruit train and develop the best talent in order to deliver distinctively memorable experiences. The company has a range of initiatives and activities aimed at enhancing the interest of our employees such as the Elite Future Leaders academy, management training and apprenticeship programmes. Employee engagement is encouraged with employee forums regularly held at each hotel.

Guests, corporate clients and suppliers are also pivotal to the delivery of our business plan. It is essential that we maintain our reputation for high standards operating in the luxury market. We constantly engage with our guests via various digital and other review platforms, carefully consolidating guest reviews from post-stay surveys and digital sources to check how we are performing against targets set out in our plan. We hold regular meetings with key suppliers to ensure support for our business plans, objectives and to resolve any issues at an early stage.

Elite Hotels (Rotherwick) Limited

Strategic Report

Year Ended 31 March 2023

S172 report (continued)

We aim to be a responsible member of the local community and to minimise the impact on the environment. This includes supporting local charity initiatives, recycling as much of our waste as is possible and seeking to reduce energy usage wherever possible. This is supported by our Green Tourism accreditation.

As a board, our intention is to behave responsibly toward our shareholders and fulfil this with regular and open communication with the trustees of our ultimate parent including ensuring they have a presence on the board of Elite Hotels (Rotherwick) Limited.

Key decisions in the year

The Board confirms that during the year under review it has acted to promote the long-term success of the company for key stakeholders as highlighted below:

- As business stabilised during the year the company considered how best to address skills shortages inflicting Elite Hotels and the wider hospitality industry. A sponsorship license was requested and subsequently approved, which will facilitate the recruitment of staff. New recruitment and training software solutions have also been implemented to support the development of new and long-standing employees.
- Inter-company communication continues to be a key focus through face to face and virtual meetings. In addition, plans had been drawn up to upgrade the company-wide IT network with a programme. This has been implemented and has enhanced the guest experience plus improve productivity levels.

Engagement with employees

Please refer to the previous s172 report and commentary included in the Directors Report.

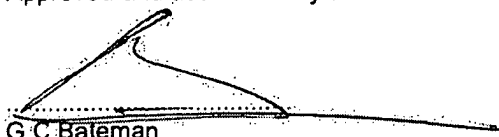
Engagement with suppliers, customers and other relationships

Please refer to the previous s172 report and commentary included in the Directors Report.

Future developments

The Directors' strategy remains to continue investment in refurbishing, upgrading and developing the hotel facilities to enhance the guest experience and increase return on investment.

Approved and authorised by the Board on 22/12/23 and signed on its behalf by:


G C Bateman
Director

Elite Hotels (Rotherwick) Limited

Directors' Report

Year Ended 31 March 2023

The directors present their report and the consolidated financial statements for the year ended 31 March 2023.

Directors of the group

The directors who held office during the year were as follows:

G C Bateman

S J Willis

A H W Dixon

G K Raina

Information included in the Strategic Report

Matters pertaining to the likely future developments of the company are incorporated in the Strategic Report.

Financial instruments

Objectives and policies

The principal financial instruments of the group comprise of bank balances (including bank loans), trade debtors and trade creditors.

The main purpose of these instruments is to raise and maintain working capital levels for the operations of the group.

Price risk, credit risk, liquidity risk and cash flow risk

The key financial risks that the company is exposed to are managed as follows:

Liquidity risk

The group manages this particular risk through a process of projecting incomes on a rolling basis, regular analysis of cashflow, regularly updated cashflow forecasts and regular review of performance against budget. Non-operational activities do not commence unless funding has been identified and secured.

Following the sale of Luton Hoo Park Limited in December 2021 the Elite Hotels (Rotherwick) Limited loan with HSBC and associated interest were substantially reduced which, in turn, has had a positive impact on the group's liquidity.

Credit risk

The group is not adversely affected by credit risk as the bulk of trading is either based on cash transactions or deposits received in advance.

Elite Hotels (Rotherwick) Limited

Directors' Report

Year Ended 31 March 2023

People

The Elite Hotels (Rotherwick) Limited group ("Elite Hotels group") understand and appreciate the vital role the group employees play in the current and future success of the business. To encourage employee development the group continues to operate and enhance its training and development programmes and remains accredited by Investors in People. Employees are kept informed on a wide range of matters including the future strategy of company.

Compliance with the Modern Slavery Act

Following the enactment of the Modern Slavery Act in October 2015 the group has reviewed its procurement and human rights practices and those of its supply chain in light of this act. The group's suppliers are UK based entities and, having reviewed the requirements of the Modern Slavery Act, it has taken action to comply with the regulations. The group does not support forced and compulsory labour or the exploitation of children.

Employment of disabled persons

The group's policy is to give full and fair consideration to the recruitment of disabled persons having regards to their particular aptitudes and abilities. Where existing employees become disabled, it is the group's policy to make reasonable adjustments to support them. It is also the group's policy to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance of the group.

Environmental matters

The Elite Hotels group strongly believes that in order to make a big impact on our guests, we don't have to make a big impact on the environment. Environmental concerns and sustainable development are always at the forefront of decision-making. It extends from our purchasing policies to transport, and pollution prevention to waste management, and informs all our working practices. All our hotels have gained silver accreditation from The Green Tourism Business Scheme (GTBS). GTBS is the leading sustainable tourism certification scheme in the UK. Green Tourism businesses are focused on being sustainable, responsible, and green. This is demonstrated through three grading levels (Bronze, Silver, and Gold) and businesses are assessed every two years to ensure standards are maintained.

The Elite Hotels group continues to actively monitor energy consumption and has made advancements in a number of areas in the financial year.

Social and community issues

The Elite Hotels group places great importance on its Corporate Social Responsibility. We believe that all our hotels should play an active part in their local communities.

Our core aim is for each hotel to act as a key player within the heart of their respective local communities in line with the values of its ultimate parent, The Incorporated Trustees of the Rotherwick Foundation, a UK registered charity.

Elite Hotels (Rotherwick) Limited

Directors' Report

Year Ended 31 March 2023

Streamlined Energy and Carbon Reporting (SECR)

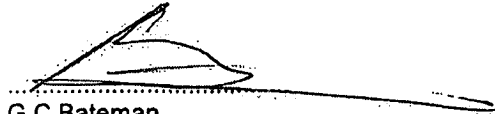
The group is exempted from the requirements of Streamlined Carbon Energy Reporting (SECR) on the basis that no subsidiary company meets the definition of being large, and the holding company is de-minimis.

Environmental matters pertaining to the group are covered in a separate section to this report.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 22/12/23 and signed on its behalf by:



G C Bateman
Director

Elite Hotels (Rotherwick) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Elite Hotels (Rotherwick) Limited

Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited

Opinion

We have audited the financial statements of Elite Hotels (Rotherwick) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Elite Hotels (Rotherwick) Limited

Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Elite Hotels (Rotherwick) Limited

Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Company at the planning stage of the audit. Firstly, the Group and Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the Group and Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. In making this assessment we determined that the most significant elements of legislation include food standards and licensing laws, employment laws and regulations, GDPR and health and safety legislation.

Elite Hotels (Rotherwick) Limited

Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud.
- Corroborating management representations through a review of board minutes and supporting documentation including any matters reportable under health and safety legislation for the attention of the Directors.
- Considering the filings made at Companies House, and any omissions thereon.
- Reviewing the most recent Food Hygiene Ratings awarded to the hotel, and where there had been visits discussing with management their findings.
- Reviewing the ICO website for any evidence of breaches being reported, coupled with discussions with management in regards to GDPR compliance.
- Completion of disclosure checklists to identify areas of non compliance.

Our audit approach also considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. In common with all audits under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue, including cash sales.
- Performing reconciliation work from the booking system to the nominal ledger to prove income in total between the two operating systems.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business.
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Elite Hotels (Rotherwick) Limited

Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 22 DECEMBER 2023

Elite Hotels (Rotherwick) Limited

Consolidated Profit and Loss Account

Year Ended 31 March 2023

	Note	Continuing operations 2023 £	Discontinued operations 2023 £	Total 2023 £	Continuing operations 2022 £	Discontinued operations 2022 £	Total 2022 £
Turnover	3	22,754,692	-	22,754,692	23,708,925	9,004,634	32,713,559
Cost of sales		(12,893,731)	-	(12,893,731)	(11,213,249)	(4,353,715)	(15,566,964)
Gross profit		9,860,961	-	9,860,961	12,495,676	4,650,919	17,146,595
Administrative expenses		(10,513,126)	-	(10,513,126)	(10,311,611)	(3,217,346)	(13,528,957)
Other operating income	4	80,333	-	80,333	451,547	250,600	702,147
Operating (loss)/profit	5	(571,832)	-	(571,832)	2,635,612	1,684,173	4,319,785
Profit on disposal of operations		-	-	-	-	1,916,020	1,916,020
Other interest receivable and similar income	10	25,335	-	25,335	116,669	-	116,669
Interest payable and similar expenses	11	(751,850)	-	(751,850)	(1,459,115)	-	(1,459,115)
(Loss)/profit before tax		(1,298,347)	-	(1,298,347)	1,293,166	3,600,193	4,893,359
Tax on (loss)/profit	12	-	-	-	-	-	-
(Loss)/profit for the financial year		(1,298,347)	-	(1,298,347)	1,293,166	3,600,193	4,893,359
Profit/(loss) attributable to:							
Owners of the company		(1,298,347)	-	(1,298,347)	1,293,166	3,600,193	4,893,359

The notes on pages 21 to 42 form an integral part of these financial statements.
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Elite Hotels (Rotherwick) Limited

Consolidated Balance Sheet

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	48,806,241	46,409,187
Current assets			
Stocks	15	263,640	249,175
Debtors	16	1,127,710	819,776
Cash at bank and in hand		1,015,649	8,617,228
		<u>2,406,999</u>	<u>9,686,179</u>
Creditors: Amounts falling due within one year	19	<u>(18,329,327)</u>	<u>(6,850,777)</u>
Net current (liabilities)/assets		<u>(15,922,328)</u>	<u>2,835,402</u>
Total assets less current liabilities		32,883,913	49,244,589
Creditors: Amounts falling due after more than one year	19	<u>(356,467)</u>	<u>(15,418,796)</u>
Net assets		<u>32,527,446</u>	<u>33,825,793</u>
Capital and reserves			
Called up share capital	24	110	110
Share premium reserve	23	5,412,490	5,412,490
Revaluation reserve	23	11,070,726	11,070,726
Other reserves	23	42,000,001	42,000,001
Profit and loss account	23	<u>(25,955,881)</u>	<u>(24,657,534)</u>
Equity attributable to owners of the company		<u>32,527,446</u>	<u>33,825,793</u>
Shareholders' funds		<u>32,527,446</u>	<u>33,825,793</u>

Approved and authorised by the Board on 22/12/23 and signed on its behalf by:


G C Bateman
Director

Company Registration Number: 01899376

Elite Hotels (Rotherwick) Limited


Balance Sheet

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	7,645	5,498
Investments	14	<u>14,000,300</u>	<u>14,000,300</u>
		<u>14,007,945</u>	<u>14,005,798</u>
Current assets			
Debtors due in less than one year	16	17,841,864	14,938,001
Cash at bank and in hand	17	<u>315,127</u>	<u>6,325,737</u>
		18,156,991	21,263,738
Creditors: Amounts falling due within one year	19	<u>(15,143,141)</u>	<u>(2,395,985)</u>
Net current assets		<u>3,013,850</u>	<u>18,867,753</u>
Total assets less current liabilities		17,021,795	32,873,551
Creditors: Amounts falling due after more than one year	19	<u>(319,760)</u>	<u>(15,345,955)</u>
Net assets		<u>16,702,035</u>	<u>17,527,596</u>
Capital and reserves			
Called up share capital	24	110	110
Share premium reserve		5,412,490	5,412,490
Other reserves		42,000,001	42,000,001
Profit and loss account		<u>(30,710,566)</u>	<u>(29,885,005)</u>
Shareholders' funds		<u>16,702,035</u>	<u>17,527,596</u>

The company made a loss after tax for the financial year of £825,561 (2022 - loss of £16,671,170).

Approved and authorised by the Board on 22/12/23 and signed on its behalf by:



G C Bateman
Director

Company Registration Number: 01899376

Elite Hotels (Rotherwick) Limited

Consolidated Statement of Changes in Equity

Year Ended 31 March 2023

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2022	110	5,412,490	11,070,726	42,000,001	(24,657,534)	33,825,793
Loss for the year	-	-	-	-	(1,298,347)	(1,298,347)
At 31 March 2023	110	5,412,490	11,070,726	42,000,001	(25,955,881)	32,527,446

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2021	110	5,412,490	11,070,726	42,000,001	(29,550,893)	28,932,434
Profit for the year	-	-	-	-	4,893,359	4,893,359
At 31 March 2022	110	5,412,490	11,070,726	42,000,001	(24,657,534)	33,825,793

Elite Hotels (Rotherwick) Limited

Statement of Changes in Equity

Year Ended 31 March 2023

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2022	110	5,412,490	42,000,001	(29,885,005)	17,527,596
Loss for the year	-	-	-	(825,561)	(825,561)
Total comprehensive income	-	-	-	(825,561)	(825,561)
At 31 March 2023	110	5,412,490	42,000,001	(30,710,566)	16,702,035

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2021	110	5,412,490	42,000,001	(13,213,835)	34,198,766
Loss for the year	-	-	-	(16,671,170)	(16,671,170)
At 31 March 2022	110	5,412,490	42,000,001	(29,885,005)	17,527,596

Elite Hotels (Rotherwick) Limited

Consolidated Statement of Cash Flows

Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
(Loss)/profit for the year		(1,298,347)	4,893,359
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,237,898	1,746,878
Profit on disposal of tangible assets		(1,000)	(15,393)
Profit from disposals of investments		-	(1,916,020)
Finance income	10	(25,335)	(116,669)
Finance costs	11	751,850	1,459,115
		<u>665,066</u>	<u>6,051,270</u>
Working capital adjustments			
Increase in stocks	15	(14,465)	(57,798)
Increase in trade debtors	16	(307,934)	(540,663)
(Decrease)/increase in trade creditors	19	(3,503,823)	4,098,704
Net cash flow from operating activities		<u>(3,161,156)</u>	<u>9,551,513</u>
Cash flows from investing activities			
Interest received		25,335	116,669
Acquisitions of tangible assets		(3,634,952)	(572,855)
Proceeds from sale of tangible assets		1,000	24,459
Proceeds from disposal of subsidiaries		-	47,315,388
Net cash flows from investing activities		<u>(3,608,617)</u>	<u>46,883,661</u>
Cash flows from financing activities			
Interest paid	11	(751,850)	(1,459,115)
Repayment of bank borrowing		-	(45,950,000)
Repayment of other borrowing		(26,195)	(4,151,625)
Payments to finance lease creditors		(53,761)	(60,340)
Net cash flows from financing activities		<u>(831,806)</u>	<u>(51,621,080)</u>
Net (decrease)/increase in cash and cash equivalents		(7,601,579)	4,814,094
Cash and cash equivalents at 1 April		<u>8,617,228</u>	<u>3,803,134</u>
Cash and cash equivalents at 31 March		<u>1,015,649</u>	<u>8,617,228</u>

The notes on pages 21 to 42 form an integral part of these financial statements.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

1 General Information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ashdown Park
Wych Cross
Forest Row
East Sussex
RH18 5JR

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are summarised within this note.

The financial statements are prepared in pounds sterling which is the functional currency of the Group and Company.

Monetary amounts in these financial statements are rounded to the nearest pound.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Summary of disclosure exemptions

FRS102 allows a qualifying entity certain disclosure exemptions, which the company has taken advantage of:

- (i) From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the Company's cash flows;
- (ii) From the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A as the information is provided in the consolidated financial statement disclosures.
- (iii) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

The group has also taken advantage of the exemption under FRS102 paragraph 33.1A in respect of transactions between members of the group, on the basis that the group companies are 100% owned.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2023.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The loss of the company for the year ended 31 March 2023 was £825,561 (2022- £16,671,170 loss), with the loss in the comparative period arising primarily as a result of the loss on disposal recognised on the sale of the shares on Luton Hoo Park Limited.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Going concern

At the balance sheet date the group has net current liabilities of £15,922,328 (2022 – net current assets of £2,835,402). Net current liabilities includes bank borrowings of £15,000,000 (2022 - £nil) which is shown as being due in less than 12 months on the basis that the facility is due for renewal in February 2024.

The Directors have engaged with the group bankers, who have indicated their positive expectation that the bank will renew the facility for a further two year term. Whilst this process has not concluded the Directors have no reason not to believe that this will be concluded shortly, which will have a positive impact on the net current liability position of the group. Acknowledging that there can be no certainty until the renewed facility agreements are signed (expected to be in January 2024) the directors also note that the loan to value ratios for the hotel property and business provides significant headroom and therefore re-assurance as to the going concern status of the company and group.

Further to the above the Directors have considered:

- Post year end performance to date for the year to 31 March 2024.
- Expected performance for the remaining of the year to 31 March 2024, and extending to a period of no less than 12 months from the approval of the accounts.

After considering known factors the Directors continue to prepare the financial statements of the group and company on a going concern basis.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Accommodation revenue is recognised at the point of the customer staying in the room. Deposits received in advance of customer stays are treated as payments on account and recognised within creditors due within one year. Gift vouchers purchased for services to be redeemed in future periods are recognised in accruals and deferred until they are used.

Food, beverage and other income are recognised at the point of sale.

Rental income is recognised on a straight line basis and is included in other operating income.

Government grants

Grants of a revenue nature are recognised in "other operating income" within profit or loss in the same period as the related expenditure.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Tax

Tax is recognised in the profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible fixed assets are initially measured at cost (or deemed cost) and subsequently measured at cost or valuation, net of depreciation or any impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	Straight line between 3 and 8 years
Plant and machinery	5% straight line
Motor vehicles	30% on reducing balance

Depreciation is provided on freehold land and buildings at 0% per annum on the basis that the hotel are historical buildings, hence the useful economic life cannot be reasonably estimated. Additionally the directors' opinion is that the residual value of the property is so high that any depreciation charge would be negligible and immaterial. This is in accordance with accounting standard FRS 102. The directors have considered the value of the property, in light of the recent valuation, and do not believe any impairment to the value included in the financial statements is necessary.

The directors deem that fixtures and fittings are disposed of after eight years and so at the end of this period a disposal is included to remove the accumulated cost and depreciation from the financial statements.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Revaluation of fixed assets

Properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

Impairment of non financial assets

At each balance sheet date the directors review the carrying amount of the company's tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Investments

Investments in subsidiaries are recognised at cost.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

For defined contribution schemes the amounts recognised in profit and loss is the contributions payable for the year.

Contributions that are unpaid at the balance sheet date are recognised in creditors less than one year.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustment. Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Critical judgements and estimation uncertainty

In applying the Group and Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following areas are where the Directors have applied judgement in the preparation of the financial statements:

Going concern

The key judgements made by the Directors with regards to the appropriateness of the going concern assertion are as outlined in the above accounting policy.

The following are regarded by the Directors as key areas of estimation:

Carrying value of fixed assets (note 12)

Management have carefully considered the depreciation estimates applied on the tangible assets held by the Group and Company. This assessment is performed on an annual basis and would be amended when necessary to reflect current estimates based on technological advancements, future investments, economic utilisation and physical condition of each asset. The directors have considered the current business valuations conducted by Christie & Co in July 2021, as well as trading performance for the year to 31 March 2023 which do not indicate any impairment to the business or underlying assets is necessary.

Furthermore the directors' opinion is that the residual value of the property is so high that any depreciation charge would be negligible and immaterial.

The carrying value of tangible fixed assets at the balance sheet date is £48,806,241 (2022 - £46,409,187), with depreciation being recognised in the year of £1,237,898 (2022 - £1,746,878).

Recognition of deferred tax asset (note 11)

As outlined in a separate note the Group and Company has carried forward tax losses available to utilise in future periods. No deferred tax asset has been recognised on the basis of uncertainty over the timing of their utilisation.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2023	2022
	£	£
Rendering of services	<u>22,754,692</u>	<u>32,713,559</u>

The turnover for the year was derived from the group's principal activity which is that of the operation of a hotel and provision of associated services.

The analysis of the group's turnover for the year by market is as follows:

	2023	2022
	£	£
UK	<u>22,754,692</u>	<u>32,713,559</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2023	2022
	£	£
Government grants receivable	-	428,250
Grants and subsidies receivable	-	99,000
Rental income	<u>80,333</u>	<u>174,897</u>
	<u>80,333</u>	<u>702,147</u>

During the prior year, the Group recognised CJRS income from the Government designed to mitigate the impact of Covid 19. The amounts disclosed as 'grants and subsidies receivable' relate to local authority grants.

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	1,237,898	1,746,878
Profit on disposal of property, plant and equipment	<u>(1,000)</u>	<u>(15,393)</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

6 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2023 £	2022 £
Other exceptional item	<u>32,641</u>	<u>(531,470)</u>

The other exceptional item relate to national insurance costs borne by the group in accordance with relevant legislation relating to a settlement, by a related entity, of obligations to which employees of the group were beneficiaries.

This amount is included in administrative costs in the profit and loss account.

7 Staff costs

The aggregate payroll costs (including directors' remuneration but excluding the national insurance costs described in note 6 above) were as follows:

	2023 £	2022 £
Wages and salaries	10,466,414	13,192,486
Social security costs	835,588	948,687
Pension costs, defined contribution scheme	213,212	258,258
Other employee expense	<u>157,182</u>	<u>129,584</u>
	<u>11,672,396</u>	<u>14,529,015</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Operational	500	665
Administration and support	<u>110</u>	<u>138</u>
	<u>610</u>	<u>803</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	426,983	536,666
Contributions paid to money purchase schemes	21,247	19,213
	<u>448,230</u>	<u>555,879</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	178,224	272,209
Company contributions to money purchase pension schemes	<u>10,824</u>	<u>10,746</u>

9 Auditor's remuneration

	2023 £	2022 £
Audit of these financial statements	3,020	2,800
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>36,480</u>	<u>33,855</u>
	<u>39,500</u>	<u>36,655</u>

Other fees to auditors

Taxation compliance services	12,815	11,890
All other assurance services	9,485	8,785
All other services relating to corporate finance transactions on behalf of the company or any associates	-	<u>25,500</u>
	<u>22,300</u>	<u>46,175</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

10 Other interest receivable and similar income

	2023 £	2022 £
Interest income on bank deposits	25,335	-
Waiver of interest on other loans	-	116,669
	<u>25,335</u>	<u>116,669</u>

11 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	751,850	1,425,515
Interest expense on other finance liabilities	-	33,600
	<u>751,850</u>	<u>1,459,115</u>

12 Taxation

Tax charged/(credited) in the profit and loss account

	2023 £	2022 £
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-
Deferred taxation		
Arising from origination and reversal of timing differences	-	-
Tax expense/(receipt) in the income statement	-	-

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
(Loss)/profit before tax	(1,298,347)	4,893,359
Corporation tax at standard rate	(246,686)	929,738
Effect of revenues exempt from taxation	-	(379,244)
Effect of expense not deductible in determining taxable profit (tax loss)	-	31,213
Effect of tax losses	246,686	(581,707)
Total tax charge/(credit)	-	-

Deferred tax

Group

Deferred tax assets and liabilities

2023	Asset £	Liability £
Capital allowances in excess of depreciation	-	92,420
Other timing differences	-	(1,499)
Tax losses carried forward	-	(90,921)
	-	-

2022	Asset £	Liability £
Capital allowances in excess of depreciation	-	54,107
Other timing differences	-	(751)
Tax losses carried forward	-	(53,356)
	-	-

Group

The group has tax losses carried forward of £34,113,862 (2022 - £32,584,667). Deferred tax has not been recognised on all of the carried forward tax losses due to uncertainty surrounding the timing of their utilisation.

Company

The company has tax losses carried forward of £30,109,450 (2022 - £30,101,107). Deferred tax has not been recognised on any of the carried forward tax losses due to uncertainty surrounding the timing of their utilisation.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2022	42,973,635	6,080,789	264,840	4,010,256	53,329,520
Additions	45,515	3,344,551	-	244,886	3,634,952
Disposals	-	(795,032)	(7,425)	-	(802,457)
At 31 March 2023	<u>43,019,150</u>	<u>8,630,308</u>	<u>257,415</u>	<u>4,255,142</u>	<u>56,162,015</u>
Depreciation					
At 1 April 2022	-	3,845,580	233,817	2,840,936	6,920,333
Charge for the year	-	1,135,112	9,307	93,479	1,237,898
Eliminated on disposal	-	(795,032)	(7,425)	-	(802,457)
At 31 March 2023	<u>-</u>	<u>4,185,660</u>	<u>235,699</u>	<u>2,934,415</u>	<u>7,355,774</u>
Carrying amount					
At 31 March 2023	<u>43,019,150</u>	<u>4,444,648</u>	<u>21,716</u>	<u>1,320,727</u>	<u>48,806,241</u>
At 31 March 2022	<u>42,973,635</u>	<u>2,235,209</u>	<u>31,023</u>	<u>1,169,320</u>	<u>46,409,187</u>

Included within the net book value of land and buildings above is £43,019,150 (2022 - £42,973,635) in respect of freehold land and buildings the primary reason for the reduction in net book value is the sale of the Luton Hoo Hotel.

Assets held at deemed cost

The group elected to recognise assets held at valuation on transition to FRS102 at deemed cost.

Had freehold land and buildings been held at historical cost at the balance sheet date their carrying value would be £32,704,754 (2022 - £32,659,239).

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023 £	2022 £
Fixtures, fittings and equipment	<u>82,623</u>	<u>123,935</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

Company

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2022	3,996	40,630	44,626
Additions	4,524	-	4,524
At 31 March 2023	8,520	40,630	49,150
Depreciation			
At 1 April 2022	3,278	35,850	39,128
Charge for the year	943	1,434	2,377
At 31 March 2023	4,221	37,284	41,505
Carrying amount			
At 31 March 2023	4,299	3,346	7,645
At 31 March 2022	718	4,780	5,498

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

14 Investments

Company

	2023 £	2022 £
Investments in subsidiaries	<u>14,000,300</u>	<u>14,000,300</u>

Subsidiaries

Cost or valuation

At 1 April 2022

14,000,300

Carrying amount

At 31 March 2023

14,000,300

At 31 March 2022

14,000,300

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2023	2022
Subsidiary undertakings			
Ashdown Park (Sussex) Limited	Ordinary	100%	100%
The Grand Hotel (Eastbourne) Limited	Ordinary	100%	100%
Tylney Hall Hotel Limited	Ordinary	100%	100%
Luton Hoo Park Limited	Ordinary	0%	0%

The principal operation of each of the above named companies is that of a hotelier. The registered office of each of these companies is Ashdown Park, Wych Cross, Forest Row, East Sussex, RH18 5JR.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

15 Stocks

	2023 £	Group 2022 £	2023 £	Company 2022 £
Consumables	<u>263,640</u>	<u>249,175</u>	<u>-</u>	<u>-</u>

16 Debtors

	2023 £	Group 2022 £	2023 £	Company 2022 £
Trade debtors	103,450	262,030	-	1,425
Amounts due from group undertakings	-	-	17,099,292	14,928,263
Other debtors	851,334	312,464	741,334	-
Prepayments	<u>172,926</u>	<u>245,282</u>	<u>1,238</u>	<u>8,313</u>
	1,127,710	819,776	17,841,864	14,938,001
Less non-current portion	<u>-</u>	<u>-</u>	<u>(17,099,292)</u>	<u>(14,928,263)</u>
	<u>1,127,710</u>	<u>819,776</u>	<u>742,572</u>	<u>9,738</u>

Details of non-current trade and other debtors

Company

£17,099,292 (2022 - £14,928,263) of amounts owed by group undertakings is classified as non current.

17 Cash and cash equivalents

	2023 £	Group 2022 £	2023 £	Company 2022 £
Cash on hand	750	1,330	-	-
Cash at bank	<u>1,014,899</u>	<u>8,615,898</u>	<u>315,127</u>	<u>6,325,737</u>
	<u>1,015,649</u>	<u>8,617,228</u>	<u>315,127</u>	<u>6,325,737</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

18 Analysis of net debt

	At 1 April 2022 £	Cash flow	At 31 March 2023 £
Cash at bank and on hand	8,617,228	(7,601,579)	1,015,649
Bank overdrafts	-	-	-
Cash and cash equivalents	8,617,228	(7,601,579)	1,015,647
Bank loans	(15,000,000)	-	(15,000,000)
Amounts due under hire purchase	(127,025)	53,761	(73,264)
Net debt	<u>(6,509,797)</u>	<u>(7,547,818)</u>	<u>(14,057,615)</u>

19 Creditors

	Note	2023 £	Group 2022 £	2023 £	Company 2022 £
Due within one year					
Trade creditors		906,274	1,086,629	29,717	31,362
Social security and other taxes		159,572	2,805,741	-	2,048,403
Outstanding defined contribution pension costs		52,531	76,236	13,506	33,565
Other creditors		46,053	30,000	46,053	30,000
Accrued expenses		499,494	934,428	53,865	252,655
Payments on account		1,628,846	1,863,559	-	-
Bank borrowings		15,000,000	-	15,000,000	-
HP and finance lease liabilities		36,557	54,184	-	-
		<u>18,329,327</u>	<u>6,850,777</u>	<u>15,143,141</u>	<u>2,395,985</u>
Due after one year					
Loans and borrowings	20	36,707	15,072,841	-	15,000,000
Amounts due to group undertakings		<u>319,760</u>	<u>345,955</u>	<u>319,760</u>	<u>345,955</u>
		<u>356,467</u>	<u>15,418,796</u>	<u>319,760</u>	<u>15,345,955</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

20 Loans and borrowings

	2023 £	Group 2022 £	2023 £	Company 2022 £
Current loans and borrowings				
Bank borrowings	15,000,000	-	15,000,000	-
Hire purchase contracts	36,557	54,184	-	-
	<u>15,036,557</u>	<u>54,184</u>	<u>15,000,000</u>	<u>-</u>

	2023 £	Group 2022 £	2023 £	Company 2022 £
Non-current loans and borrowings				
Bank borrowings	-	15,000,000	-	15,000,000
Hire purchase contracts	36,707	72,841	-	-
	<u>36,707</u>	<u>15,072,841</u>	<u>-</u>	<u>15,000,000</u>

The amounts shown as bank loans above are secured by means of:

- A first legal charge over the properties known as the Ashdown Park Hotel, The Grand Hotel Eastbourne, and Tynney Hall Hotel.
- A fixed charge over the book debts of the subsidiary companies;
- A floating charge over the remainder of the group's assets.

On 30 September 2021 the group entered into an amendment agreement with regards to its bank loan, whereby the interest rate is now based on SONIA rather than LIBOR. The practical expedient permissible under FRS102 11.20C has been applied in respect of this change.

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

21 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	36,557	54,184
Later than one year and not later than five years	36,707	72,841
	<u>73,264</u>	<u>127,025</u>

Amounts due under finance lease are secured against the assets to which they relate.

Operating leases - lessee

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	12,201	-
Later than one year and not later than five years	39,657	-
	<u>51,858</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £9,151 (2022 - £Nil).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	54,300	57,763
Later than one year and not later than five years	117,788	140,242
Later than five years	11,205	29,042
	<u>183,293</u>	<u>227,047</u>

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

22 Pension and other schemes

Defined contribution pension scheme

The group operates two defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the group to the schemes and amounted to £213,212 (2022 - £258,258).

Contributions totalling £52,531 (2022 - £76,236) were payable to the schemes at the end of the year and are included in creditors.

23 Reserves

Group

The Group and Company have the following reserves on the balance sheet.

Called up share capital

This reserve records the nominal value of shares issued

Share premium reserve

This reserve records the amount above the nominal value received for the shares sold, less transaction costs

Revaluation reserve

This reserve reflects the upward revaluation of tangible fixed assets in excess of cost

Other reserve

This reserve reflects the recognition of amounts due from related parties at net present value

Profit and loss account

This reserve records the cumulative profits and losses made by the group and company

24 Share capital

Allotted, called up and fully paid shares

	No.	2023 £	No.	2022 £
Ordinary shares of £1 each	110	110	110	110

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

25 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £247,610 (2022 - £22,152).

26 Contingent liabilities

The company's bankers, HSBC Bank Plc, hold unlimited cross guarantees between Elite Hotels (Rotherwick) Limited and its wholly owned subsidiaries. At the balance sheet date, the amount jointly guaranteed by the company was £15,000,000 (2022 - £15,000,000).

The directors believe that the guarantee will not be called upon and accordingly no provision has been recognised.

27 Related party transactions

Key Management Remuneration

The directors consider that the key management personnel of the group are the directors themselves. Directors remuneration is disclosed in note 8 to the financial statements.

At the balance sheet date the group owed the Directors £nil (2022 - £20,000). The outstanding balance is interest free, unsecured and repayable on demand.

Other related party transactions

During the year the group has had a loan with its immediate parent undertaking, West Indies Investments Limited, an entity incorporated in Guernsey. The loan is interest free, unsecured and under deferred payment terms.

At the balance sheet date the amount due from the group to its immediate parent undertaking was £319,760 (2022 - £345,955).

During the year the group made charitable donations of £100,000 to the Incorporated Trustees of the Rotherwick Foundation, a UK registered charity and ultimate shareholder in the group (2022 - £100,000). In addition to this during the year there were donated services of £30,000 (2022 - £3,000).

Elite Hotels (Rotherwick) Limited

Notes to the Financial Statements

Year Ended 31 March 2023

28 Parent and ultimate parent undertaking

The company's immediate parent is West Indies Investment Limited, incorporated in Guernsey.

The ultimate parent is Incorporated Trustees of the Rotherwick Foundation, a UK registered charity. On the basis that the charity does not have control there is no requirement to consolidate at charity level.

There is no ultimate controlling party.